

Part 3/20/74

White House Rejects Mills' Advice on

In the midst of their angry war of words, Rep. Wilbur D. Mills has secretly advised President Nixon to make voluntary payment of back taxes immediately—a conciliatory step contradicting the hard line now ascendant in the White House.

Although Mills is silent about private contacts with the White House, word has seeped from Capitol Hill of a conversation last week between him and a senior Nixon aide. For the second time in less than a month, Mills recommended that amended tax returns be filed by Mr. Nixon before congressional investigators publicly report on his taxes.

In fact, such a course was seriously considered by Mr. Nixon even before the first Mills recommendation but rejected as incompatible with the hard line installed as basic Nixon strategy late last year. Accordingly, the highly probable White House response to the new overture will be to continue its personal attack on Mills' reputation

and credibility while volunteering no admissions or apologies for the President's tax-paying practices.

That is a high-risk policy with nothing less than the presidency at stake. In attempting to shift public scrutiny from the President to Mills, Nixon strategists are gambling that the congressional tax report will not contain enough new disclosures to stir massive public reaction. Mills is contending it will do just that, and many Republican congressmen fear he may be right.

Mr. Nixon's personal taxes have always been a sideshow threatening to eclipse the Watergate main event. Whereas accusations of complicity in the Watergate obstruction of justice are inherently more serious, tax cheating is more comprehensible to the general public and, in a political sense, more menacing to Mr. Nixon.

For that reason, Nixon's political aides late last year began urging the President to file amended tax returns and pay back taxes covered by the half-million-dollar deduction for donat-

ing pre-presidential papers. A voluntary repayment, they said, would abate public fury following the report on the President's taxes due from the joint congressional Internal Revenue Committee.

On Jan. 25, well-informed presidential aides told us Mr. Nixon had tentatively decided to file amended returns. But shortly thereafter, the hard line at the White House triumphed. Under the doctrine of admit nothing, apologize for nothing, and explain very little, the President decided to tough it out on taxes as on everything else.

Two weeks later while ill back in Arkansas, Mills advised a top administration official that the President should try to beat the joint committee's report to the punch. There is no evidence this recommendation renewed debate inside the White House.

In announcing for re-election to the House in Little Rock March 9, Mills answered a question with his widely criticized contention that tax troubles

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could hurt the President worse than Watergate. This view has long been voiced privately by Mills and publicly by New York economic consultant Eliot Janeway, an intimate adviser to Mills.

Although the White House replied with a harsh counterattack against Mills, it did not break off relations. On March 15, a senior Nixon aide telephoned the chairman to talk about the President's taxes. Once again, Mills recommended that the President immediately recompute his taxes and before the joint committee staff reports.

That advice is based on Mills' belief that the joint committee's imminent report, while not alleging fraud, reveals so many irregularities, large and small, and so much in back taxes owed that the ordinary taxpayer will be stunned. Mills was, therefore, suggesting that Mr. Nixon file amended returns as the lesser of two evils.

In apparently rejecting that advice, the White House is betting that the

public has already been shocked all it can by a tax delinquent President. Meanwhile, the Nixon hard line policy that no public figure can attack the President without being counterattacked is followed meticulously in Mills' case. When asked about Mills' charges, White House aides on the speaking circuit say Mills is sick and out of touch. Although no hint of scandal has ever touched Mills before, during 35 years in Congress, he has lately been hit by all manner of personal calumny—some directly traceable to the White House.

Yet the Nixon high command is not brushing aside Mills quite so cavalierly. The Mills-White House conversation last week was initiated by the White House, not Mills. That suggests at least some aides there share the fear of congressional Republicans that a combination of tax troubles and Wilbur Mills might yet do the President in.

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